

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS
OF THE STATE OF NEVADA HERETOFORE APPROPRIATED**

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office _____

APR 27 2016

Returned to applicant for correction _____

Corrected application filed _____

Map filed June 15, 2010 Under 79911The applicant Kobeh Valley Ranch, LLC, a Nevada limited liability company1726 Cole Blvd, Suite 115of Lakewood

Street Address or PO Box

City or Town

Colorado 80401

State and ZIP Code

hereby make(s) application for permission to change the

☒ Point of diversion☒ Place of use☒ Manner of use☒ of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Permit 78274**RECEIVED****APR 27 2016****STATE ENGINEER'S OFFICE**1. The source of water is underground

Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 2 cfs, 1,448 afa

Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for mining, milling and domestic

Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use

4. The water heretofore used for irrigation and domestic

If for stock, state number and kind of animals.

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)

SE¼ SW¼, Section 35, T.21N., R.50E., MDB&M, or at a point from which the NE corner of Section 24, T.21N, R50E., MDB&M bears N.28°42'E., a distance of 17,865 feet. Being Well PoO 3 as shown on the map accompanying Application 79911.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

NE¼ SE¼, Section 21, T.19N., R.47E., MDB&M, or at a point which bears S.01°14'21"W., a distance of 3,911.35 feet from the NE corner of said Section 21. Being Well No. 5 as shown on the map filed under Permit 72580.

10-139
40

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

See Exhibit A attached hereto

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

S½ Section 15; S½ N½, a portion of the NW¼ NE¼ (35.19 ac), NE¼ NE¼, N½ S½ Section 21; N½, SW¼ Section 22; N½ Section 23; NW¼ Section 24; all in T.19N., R.47E., MDB&M. See map filed under Permit 72580.

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled and cased well, electrical motor and submersible pump, and pipelines comprising distribution system to mine and mill site.

12. Estimated cost of works \$3,000,000

13. Estimated time required to construct works 5 years

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 10 Years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

See Exhibit B attached hereto

16. Miscellaneous remarks:

See Exhibit C attached hereto

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E-mail Address

(775) 882-9900

Phone No.

Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Paul G. Taggart, Esq.

Paul G. Taggart
Type or print name clearly

Signature, applicant or agent

Taggart & Taggart, Ltd.

Company Name

108 N. Minnesota Street

Street Address or PO Box

Carson City, NV 89703

City, State, ZIP Code

EXHIBIT "A",
PROPOSED PLACE OF USE

See map filed in support of Application 79911 for proposed Place of Use.

Division	Section	Township	Range	Meridian
W½	2	20N	50E	MDB&M
All	3 - 5	20N	50E	MDB&M
All	1 - 3	21N	50E	MDB&M
All	10 - 15	21N	50E	MDB&M
All	22 - 27	21N	50E	MDB&M
All	34 - 36	21N	50E	MDB&M
S½	32 & 33	21N	50E	MDB&M
All	1 - 36	21N	51E	MDB&M
All	5 - 8	21N	52E	MDB&M
All	18 & 19	21N	52E	MDB&M
All	30 & 31	21N	52E	MDB&M
All	36	21½N	51½E	MDB&M
All	31 - 36	21½N	52E	MDB&M
All	34 - 36	22N	50E	MDB&M
All	1 - 3	22N	51E	MDB&M
All	10 - 15	22N	51E	MDB&M
All	20 - 36	22N	51E	MDB&M
All	1	22N	51½E	MDB&M
All	12 & 13	22N	51½E	MDB&M
All	24 & 25	22N	51½E	MDB&M
All	36	22N	51½E	MDB&M
All	1 - 36	22N	52E	MDB&M
All	6 & 7	22N	53E	MDB&M
All	18 & 19	22N	53E	MDB&M
All	30 & 31	22N	53E	MDB&M
All	34 - 36	23N	51E	MDB&M
All	31	21½N	53E	MDB&M

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Exhibit B
Remarks

This application is being filed to be used in conjunction with other applications to change filed simultaneously herewith from Kobeh and Diamond Valleys and those previously filed under Applications 85575, 85577, 85579, 85581, 85582, 85584, 85585, 85586, 85589, 85591, 85592, 85593, 85594, 85596, 85597, 85598, 85599, and 85603 in Kobeh Valley. The total combined duty of all the change applications will not exceed the consumptive use of 11,678.18 acre feet.

The points of diversion are fully set forth in the Hydrogeology and Numerical Flow Modeling Report dated April, 2010, prepared by Eureka Moly, and submitted to the Bureau of Land Management.

Groundwater will be developed from the Kobeh Valley Groundwater Basin, through a series of production wells. Water will be conveyed to a storage reservoir via a booster pumping station. Water from the storage reservoir will be conveyed to the reduction plant or mill, located within the Diamond Valley drainage basin. After the water is placed to a beneficial use within the reduction plant, a portion of the water will be diverted to a recycling pond, with such water returned to the storage reservoir. The vast majority of water will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley.

Thus, the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley.

The total volume of water to be consumed, being the total combined duty of all applications filed herewith shall not exceed 11,678.18 acre-feet annually. The contemplated mine life, as currently best determined, is 44 years, commencing upon start up or commencement of the mine and works of reduction.

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Exhibit C
Miscellaneous Remarks

Kobeh Valley Ranch, LLC ("KVR") believes that the correct course of action following the Nevada Supreme Court's September 18, 2015 Order on the appeal from State Engineer Ruling 6127 is for the District Court to remand the case to the State Engineer and for the State Engineer to conduct further hearings on the applications at issue in Ruling 6127. However, the Applications approved in Ruling 6127 are currently denied, which decision is under appeal.

The four change applications changing Permits 78272 through 78275 are being filed to replace the new appropriation for mining use that were approved in Ruling 6127. If the new appropriations under Ruling 6127 are later reinstated, the four change applications may be withdrawn to the base right, or changed by a new change application, to return the water to irrigation use as permitted under Permits 78272 through 78275.

The total combined duty of the four change applications changing Permits 78272 through 78275 is not to exceed 6,337.32 acre feet with a consumptive duty not to exceed 4,277.691 acre feet.

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